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RUEHKO/AMEMBASSY TOKYO 1321 RUEHUL/AMEMBASSY SEOUL 0316

RHEBAAA/DEPT OF ENERGY WASHDC

RUCPDOC/DEPT OF COMMERCE WASHDC

RUEATRS/DEPT OF TREASURY WASHDC

RUEHRC/DEPT OF AGRICULTURE WASHDC

RUEAIIA/CIA WASHDC

RHEFAAA/DIA WASHDC

RHEHNSC/NSC WASHDC 0794

RUEKJCS/SECDEF WASHDC 0710

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UNCLAS SECTION 01 OF 03 ASTANA 000311

SENSITIVE SIPDIS

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TAGS: PGOV PINR ECON EINV SOCI TBIO KNNP RS KZ

SUBJECT: KAZAKHSTAN: ONCE "SECRET" BIOWEAPONS CITY STILL IN

TRANSITION

REF: ASTANA 0254

- 11. (U) Sensitive but unclassified. Not for public Internet.
- 12. (SBU) SUMMARY: PolOff recently accompanied several U.S. scientists on a trip to Stepnogorsk. Once a secret "closed" Soviet city dedicated to research on biological weapons, Stepnogorsk today represents the opportunities and challenges the Kazakhstani government faces in modernizing its overall infrastructure, especially its bio-tech centers. Traveling to Stepnogorsk is difficult and the population is small. The city is still dependent on biotechnology and remains an isolated location, overwhelmingly populated by ethnic Russians. Many residents appreciate the stable work prospects in the scientific sector, but others are leaving due to limited opportunities in other sectors. The city's infrastructure is adequate, but needs investment. Despite the Soviet-era ambience, Kazakhstan's National Center for Biotechnology is clearly investing in developing Stepnogorsk. END SUMMARY.

STEPNOGROSK: A FORMER SECRET CITY SURROUNDED BY EMPTY VILLAGES

(SBU) Traveling to Stepnogorsk -- population 66,000, located approximately 136 miles from Astana in Akmolinsk oblast -- is like going back in time. Transportation options are limited. Local interlocutors told PolOff air connections were discontinued, and the train route from Astana to Stepnogorsk is so circuitous few travelers use it. The only viable means of traveling there are by car or bus. There are 12 buses between Astana and Stepnogorsk daily, with one-way trips taking approximately three to four hours, depending on traffic and road conditions. The last departure from Stepnogorsk back to the capital is at 18:40. The first half of a journey by car is on paved road past empty fields with soil which the taxi driver told PolOff is too alkaline to produce crops. second half is on a bumpy dirt and gravel road with one lane of traffic in either direction through an empty steppe landscape dotted occasionally by abandoned farming villages. PolOff persoQly observed numerous farmhouses and barns falling apart where they stood. A local taxi driver named Pavel, who drove PolOff and two USDA scientists from Astana to Stepnogorsk, was born and raised in Stepnogorsk, and told PolOff that during Soviet times, the farming

region surrounding the city was primarily settled by ethnic Germans who left Kazakhstan in the 1990s. When PolOff asked why there were no working farms to replace the empty villages, Pavel claimed it was not clear whether the Kazakhstani government owned the land or had sold it. Pavel said that although the region had once produced plentiful amounts of grain, uncertainty over land ownership made farmers reluctant to invest in needed refurbishment of old equipment and irrigation systems.

## STILL A "ONE-COMPANY" TOWN

14. (SBU) Many residents of Stepnogorsk still remain dependent on the city's main industry -- biochemistry. Once a secret "closed" Soviet city dedicated to research on biological weapons, Stepnogorsk's primary employers today are Biomedpreparat, a government research facility under the administration of the National Center for Biotechnology, and its two government-funded affiliates, the Institute of Agricultural Biotechnology (IAB) and the Institute of Industrial Biotechnology (IIB). The city also boasts a nursing school. Most of Stepnogorsk's residents are ethnic Russians. During a project coordination meeting at IIB with over 10 scientists, only one scientist was an ethnic Kazakh. Many of PolOff's interlocutors, such as IIB's interpreter, Nadezhda Polchenko, had been assigned to Stepnogorsk by the Soviet government. (NOTE: Polchenko now works as an English teacher in several schools, but also interprets for, and teaches English at IIB, "to make ends meet." END NOTE.) PolOff's interlocutors stated that when they were sent to Stepnogorsk, many were not allowed to tell their families where they were being sent.

ISOLATION LEAVES A LEGACY OF ALCOHOLISM

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15. (SBU) The after-effects of Stepnogorsk's history of isolation continue to affect the city and its residents today, with alcoholism and depression reportedly serious problems.

As described in reftel, former IIB scientist and USDA project director, Dr. Nadirov, died in June 2008. According to senior IIB officials, Nadirov was sent to Stepnogorsk after being involved in an accidental, Soviet-era incident of anthrax-poisoning, which resulted in a large of number of deaths. Although reportedly a brilliant scientist, Nadirov suffered from alcoholism while in Stepnogorsk. USDA officials who worked with Nadirov told PolOff that the research projects he was managing were well-designed and were showing excellent promise of meaningful scientific discoveries. However, Nadirov had been known to disappear for several days at a time on drinking binges, which interfered with progress.

## STABLE EMPLOYMENT FOR YOUNG SCIENTISTS

16. (SBU) Since Kazakhstan lacks qualified scientific personnel, for those who worked in Stepnogorsk at the end of the bio-weapons program or came from Russia since Kazakhstan's independence, Stepnogorsk offers stable employment opportunities. One mid-level ethnic Russian scientist, a graduate of the Tomsk Institute in Russia, told PolOff he had been working at IIB for eight years, and was very content with his life and job in Stepnogorsk. Ethnic Russian IIB employee Slava Kenzhebayev, who just defended his Ph.D. and is the youngest USDA project manager at IIB, also said he was very content in Stepnogorsk.

## SMALL-TOWN DANGERS AND CHALLENGES

17. (SBU) Several interlocutors, however, highlighted some of the dangers and challenges of life in Stepnogorsk. IIB interpreter Nadezhda Polchenko told PolOff that when she and her husband sold their first apartment in Stepnogorsk, they took the lump-sum cash payment that they received home, planning to deposit the money in a bank the next morning. Overnight, the money was stolen, and the case was never solved. Taxi driver Pavel, who had grown up in Stepnogorsk, attending the same school where his mother taught, said that there were "more long-term opportunities for ethnic Russians in Russia than in Stepnogorsk." After retiring from teaching school, his mother moved to Novosibirsk, and Pavel said he was also planning to move to Novosibirsk at the end of 2009, along with his ethnic

Russian wife, who was currently finishing nursing school in Stepnogorsk. Pavel, who owns a small taxi company with several cars and employs several drivers, told PolOff he intended to continue to run his taxi company from Novosibirsk.

- 18. (SBU) Stepnogorsk's infrastructure is adequate, but needs investment. The city's buildings, from its hospital to its central bus station to shops, restaurants, and hotels, all appear to be modern and in relatively good repair, if a bit poorly-lit and spartan. Scientists at IIB commented on their new spectroscope, worth over \$30,000, but also expressed concern about whether IIB would have frequent power outages during the cold winter, noting that the electric company had been having problems generating power. Stepnogorsk Hotel, reportedly the best hotel in town, still uses the old Soviet tradition of having guests leave their key with a floor warden, and advised guests at check-in of when hot water would be available.
- 19. (SBU) Despite its Soviet-era ambience, however, there are indications that authorities in Astana are intent on modernizing Stepnogorsk and turning it into a biotechnology center. Yerlan Ramankulov, Director of the Astana-based National Center for Biotechnology (NCB) takes an active interest in Stepnogorsk and is directing money, capable personnel, and equipment to the city. Ramankulov recently selected a well-respected Kazakhstani scientist, Oleg Ten, who graduated with a Ph.D. from Moscow State University, to be IIB's new director. As described in reftel, Ramankulov has also been using NCB funds to train Stepnogorsk's scientists and encourage international collaboration. In place of the fermenters once used for bio-weapons that were dismantled under joint

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U.S.-Kazakhstani non-proliferation programs, Ramankulov organized a public-private enterprise, Biocorm, which installed massive new fermenters moved from Almaty, Kazakhstan's former capital. Ramankulov, who reportedlQ{4N-?wce agent is trying to get to Stepnogorsk to visit its "secret installations." The film was shown on local Kazakhstani TV on February 15. In some ways, Stepnogorsk does not appear to have changed much since the Soviet era. Despite being geographically close to Astana, the difficulties of getting there and its small population make it seem secret and remote. With its largely ethnic Russian population, Stepnogorsk has strong cultural ties to Russia. Whether Ramankulov succeeds in his efforts to develop Stepnogorsk into a Kazakhstani biotech center remains to be seen. END COMMENT.

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